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Amending the Manpower Development and Training Act of 1962. Report to Accompany H.R. 15045. Report No. 1595.

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Amendments to the Manpower Development and Training Act of 1962 consist of the following: (1) Section 1 extends the labor mobility demonstration projects, trainee placement assistance demonstration projects, and training and appropriations in correctional institutions to June 30, 1970; operating authority to June 30, 1972; and disbursement authority to December 30, 1972. (2) Section 2 corrects a typographical error. (3) Section 3 reserves 2 percent of the annual appropriations for training of administrative personnel. (4) Section 4 requires the use of skill centers, sets lower funding limits, and limits the establishment or discontinuance of such skill centers, and (5) Section 5 extends regulations to American Samoa and increases the reimbursement of 100 percent of the costs for the Trust Territory of the Pacific Islands. Minority and additional views on the amendments are included. (EM)

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

90TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 1595

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AMENDING THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962.

Report to accompany H.R. 15045.

JUNE 27, 1968.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PERKINS, from the Committee on Education and Labor, submitted the following

REPORT

together with

ADDITIONAL, MINORITY, AND INDIVIDUAL VIEWS

[To accompany H.R. 15045]

The Committee on Education and Labor, to whom was referred the bill (H.R. 15045) to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert:

That the Manpower Development and Training Act of 1962 is amended as follows:

(1) Section 104(a) of the Act (labor mobility demonstration projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(2) Section 105 of the Act (trainee placement assistance demonstration projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(3) Section 251 of the Act (PART D—CORRECTIONAL INSTITUTIONS) is amended by striking out "1969", and inserting in lieu thereof "1970";

(4) Section 304(d) of the Act is amended by striking out "1968" and "1969", and inserting respectively in lieu thereof "1969" and "1970";

(5) Sections 310(a) and 310(b) of the Act are amended by striking out "1969" wherever it appears, and inserting in lieu thereof "1972".

SEC. 2. (a) Section 202(f) of the Manpower Development and Training Act of 1962 is amended by striking "(i)" and inserting in lieu thereof "(j)".

(b) The first sentence of section 231 of such Act is amended by striking "(i)" and inserting in lieu thereof "(j)".

SEC. 3. The Manpower Development and Training Act of 1962 is amended by inserting after section 308 the following new section:

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"TRAINING AND RELATED TECHNICAL ASSISTANCE

"SEC. 309. The Secretary of Labor shall provide, directly or through grants or other arrangements, training and related technical assistance for specialized or other personnel which are needed in connection with the programs established under this Act or which otherwise pertain to the purposes of this Act. Upon request the Secretary may make special assignments of personnel to public or private agencies, institutions, or employers to carry out the purposes of this section; but no such special assignments shall be for a period of more than two years. Two per centum of the sums appropriated in any fiscal year for this Act shall be reserved to carry out the purposes of this section during such fiscal year."

SEC. 4. (a) Section 231 of the Manpower Development and Training Act of 1962 is amended by redesignating the existing provisions as subsection (a) and by adding a new subsection (b) as follows:

"(b) In making arrangements for institutional training financed in whole or in part with funds appropriated to carry out title I, and title II, parts A, B, C, and D of this Act, including but not limited to basic education, employability and communications skills, prevocational training, vocational and technical programs, and supplementary or related instruction for on-the-job training whether conducted at the job site or elsewhere, priority shall be given to the use of skill centers established under the authority of this section."

(b) Section 301 of the Act is amended by redesignating the existing provisions as subsection (a) and by adding a new subsection (b) as follows:

"(b) In order to make maximum utilization of previous investments of Federal funds made under this Act and to avoid unnecessary waste and duplication, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall under the authority of this section and through the Cooperative Area Manpower Planning System (CAMPS), allocate sufficient funds and numbers of institutional trainees to insure a level of skill center operation in each State equal to that which existed on June 30, 1967, or June 30, 1968, whichever is the greater. In no event shall the overall allotments for institutional training be less than 65 per centum of the funds appropriated by the Congress to carry out title II of this Act. No new skill centers shall be established in an area already served by a skill center as defined by the Secretaries of Labor and Health, Education, and Welfare, nor shall an existing center be discontinued or curtailed as long as this Act is in force unless it has previously been established by the Secretary of Labor and the Secretary of Health, Education, and Welfare that, (1) an existing center is no longer able to either provide or arrange for needed training, (2) training of a similar nature previously provided has been ineffective, or (3) there is no longer a need for training based on labor market analysis or other pertinent data."

SEC. 5. (a) Section 203(a) of the Manpower Development and Training Act of 1962 is amended by striking out "and the Virgin Islands" and inserting in lieu thereof ", the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands".

(b) The third sentence of section 231 of such Act is amended by inserting after "purposes of the Act" the following: ", and except that the State agency for the Trust Territory of the Pacific Islands may be paid up to 100 per centum of such costs".

(c) Section 308 of such Act is amended by striking out "and Guam" and inserting in lieu thereof "Guam, American Samoa, and the Trust Territory of the Pacific Islands".

Amend the title so as to read:

A bill to extend expiring provisions under the Manpower Development and Training Act of 1962, as amended, and for other purposes.

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History and Background

H.R. 15045 was introduced on February 1, 1968, in the form of a simple change in the expiration dates in the Manpower Development and Training Act (42 U.S.C. 2571–2620). This act first placed on the statute books in 1962, has been amended three times since, in 1963, 1965, and 1966. The tendency of each of these amendments has been to make the act and its administration more flexible and more responsive to shifting needs.

The overall intention of your committee in 1968 is the same as it has been in each of these other occasions in which MDTA has been amended. The words of your committee's report in 1966 (H. Rept. 2017, 89th Cong., second sess.) are still appropriate:

> At the time the act was passed, many thoughtful Americans looked upon the advent of automation and the other aspects of the new technology as bringing with them inevitable and far-reaching economic dislocation. The debate over automation and its effects was not couched in terms of whether or not the effects would be traumatic, but on how quickly we could recover from them.
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> In 1966, there is still no question but that automation will continue to proceed apace, and that the techniques and structure of American industry will change even more in years to come than it has changed in years recently past.
>
> If the MDTA program is to remain a useful tool for coping with the changes that we can expect in the near future, if we are to use this device, with others, to alleviate and even escape the economic penalties which technological change customarily exacts, this act must continue to be altered as experience and changing problems dictate. An act which 4 years ago was primarily aimed at the problems of those who had experienced or were facing technological unemployment, is not necessarily, and not without alteration, useful to meet the problems of the disadvantaged and the hard-core unemployed or to deal with critical skill shortages. The 1966 amendments are not simply a weapon in the war against poverty—though they are a weapon in that war. They are not simply a safeguard against the effects of automation—though they are such a safeguard. They are not simply a remedy for industry's problem of growing skill shortages—though they are such a remedy. Rather, these amendments, like the original act and its subsequent amendments, are an attempt to build the foundations upon which a national manpower policy can, as someday it will, be built, so that the Nation's most valuable natural resource—the brains and muscles and ingenuity of its people—can be most effectively utilized in the context of a free economy.

Committee Consideration

The Select Subcommittee on Labor, chaired by Representative Holland, held 2 days of hearings on H.R. 15045. Testimony was taken from the Departments of Labor and Health, Education, and Welfare; from Mr. Leo Beebe, executive vice president of the National Alliance of Businessmen; from Mr. Kenneth Young of the AFL–CIO; and from Mr. Jack Michie, director of the East Bay Skills Center in Oakland, Calif. On June 13 the subcommittee voted to report H.R. 15045, with amendments, to the full committee, and on June 20 the full committee, after making further amendments, ordered the bill reported to the House.

Major Provisions

Basically, H.R. 15045 extends the expiration dates contained in the present act. The authority to conduct the basic training programs under this act, which would now expire on June 30, 1969, is extended to June 30, 1972. Certain experimental and development programs are extended for shorter periods of time. Title II–D, authorizing training for inmates of correctional institutions, which now expires on June 30, 1969, is extended for 1 year. The provisions of section 104 (labor mobility demonstration projects) and section 105 (trainee placement assistance demonstration projects), which expire June 30, 1968, are extended for 2 years. The net effect of these amendments are, in short, to extend the pilot programs until 1970, and the basic program until 1972.

Section 2 of the bill is a purely technical amendment, correcting an obvious typographical error contained in the 1966 amendments.

Section 3 calls for a 2-percent set-aside of funds appropriated in each fiscal year under the act, for the purpose of providing training and related technical assistance toward the preparation of the specialized personnel who are needed to make MDTA a more effective program. Counselors, job development specialists, and program administrators are illustrative of the personnel this amendment is meant to help prepare, though this is not an exhaustive list. As manpower policy becomes broader in its application, and as manpower institutions, on State and local as well as the Federal level, become more significant tools of economic policy, the need for trained people with broad manpower expertise to man such institutions becomes crucial. In providing for this training, your committee does not intend that it shall be limited to the personnel needs of the Departments of Labor and HEW and the State agencies directly involved in administering this act. Other public agencies, at the Federal and at the State and local levels (where the needs are especially acute), as well as private and nonprofit agencies, will have growing need for such manpower specialists. The authority contained in section 3 of this bill ought to be utilized to help train people for the entire spectrum of need. Although this amendment was not contained in the original bill, the Secretary of Labor advised the committee during the hearings that he had no objection to this amendment. Indeed, he suggested that he would welcome it.

Section 4 seeks to make it possible for skill centers to be used in a more flexible and satisfactory manner to carry out institutional train-

ing and related aspects of the program. The skill center has proven to be an excellent device in providing both basic education and skills training, without running afoul of the inflexibilities sometimes found in trying to mesh MDTA institutional training with the school year and other problems of the standard vocational education system. Testimony before the subcommittee indicated that among the unexpected dividends of the skill centers is that they sometimes provide an institution with which trainees—particularly disadvantaged trainees—can identify in the same way that the educationally advantaged can identify with the schools which are their gateways into the world of work. In some skill centers, representatives from other agencies—employment counselors, educational rehabilitation personnel, welfare and probation officers, and the like—find office space and an opportunity to bring their specific services to the trainees. The skill center in such a situation can become a nucleus for a broad-gage manpower center, serving a vital purpose of even wider proportions than those which MDTA by itself seeks to encompass.

The effectiveness of skill centers in the narrow terms of training and placement are also very impressive. In terms of placement rates and effectiveness in reaching the hard-core unemployed, all the data testifies to the value of the skill center, whether looked at purely as a training institution or from a broader frame of reference.

But the skill centers, too, have run afoul of certain inflexibilities in the act, or, to be more precise, in its administration. The major problem has been the perhaps exaggerated attention the Department has paid to the requirements of the act that there be a "reasonable expectation of employment in the occupation for which the person is to be trained" (sec. 202(f)). This provision was originally, and is still, intended by your committee to insure that MDTA does not fall into the trap of providing "busywork" training for obsolescent skills or for jobs for which there is no real demand. Your committee felt enough of this had been done in the name of job training in the past, and that to do more of it would be to perpetrate a fraud alike on the trainee and on the taxpayer.

To avoid this trap the Congress provided, and the Department of Labor has correctly insisted, that a determination be made that there is a "reasonable" expectation of employment for a trainee using the skills he acquires through MDTA. But the key word is "reasonable." The testimony we received from persons knowledgeable in the program tends to indicate that job surveys have become a stumbling block in the effective use of the skill centers. Excessive delay in making such surveys, inflexibility in making determinations, have contributed to periods of idleness in the use of skill center personnel. The frequently very highly qualified and capable instructors available to the skill centers ought to be utilized to the fullest, as should the sometimes superb equipment and physical plant which are found in these centers.

The committee is convinced that more administrative flexibility is needed in order to utilize the full potential of the MDTA skill centers. For example, arbitrary time limits established under the project

method for initiating training programs make it impossible to enroll trainees after the program has begun. Thus, the "pipeline technique" cannot be employed and enrollments in skill centers have shown that oftentimes teachers and equipment are not used to full capacity. Much needed resources and personnel stand idle while the need for training, especially for the disadvantaged, continues.

In administering the program, your committee would urge that the Secretaries of Labor and HEW both should "give priority" as section 4 of the bill directs, to the use of skill centers. In making this statement of legislative intent, your committee does not mean to suggest that other training facilities should be neglected while trainees are waiting in line to get into crowded skill centers. Nor do we mean to suggest any diminution in the efforts of the two Departments to utilize the training facilities of the private sector. But the tests of "reasonable expectation of employment" and similar criteria should not be so managed as to result in letting dust gather on modern machine tools in skill centers, and losing the services of highly trained instructors while an overscrupulous effort to document the availability of jobs eats up all the leadtime during which those jobs remain available.

Section 4(b) of the bill directs that the two Departments in exercising their authority under section 231 should so direct the planning under CAMPS (cooperative area manpower planning system) that sufficient funds and sufficient training "slots" are allocated to skill centers so that such centers may be operated at a level equal to that achieved on June 30, 1967, or June 30, 1968, whichever, in a given State, is higher. It further directs, as a warning against either overconcentrating or underconcentrating resources on the skill centers, that no new centers be established or existing ones be discontinued or curtailed until the two Secretaries establish, in effect, that an existing center can no longer do the job, or has not been doing the job, or that the job doesn't need to be done any more. Any one of these conditions is sufficient, under this amendment, to authorize the discontinuance of an existing center. If, in the course of making such a determination, it becomes apparent that a new center under different auspices or with a different structure is needed, then such a new center can be established.

Finally, to insure sufficient funds for the skill centers and for other institutional training projects of particular merit, section 4(b) of the bill specifically allocates 65 percent of the funds appropriated for title II activities to institutional training. It is the intention of your committee that the bulk of any increase in institutional allotments which this amendment may eventually create should be utilized, wherever possible, and without excessively rigid rules, to achieve the basic thrust of this new subsection, which is to build upon the existing base provided by the skill centers without denying access to institutional training programs to those persons who do not live in areas served by skill centers.

The final amendment approved by your committee is in section 5 of the bill, which extends the MDTA program to American Samoa and the trust territories. The matching provisions of section 301 of the act are waived in their case. The Secretary of Labor is given authority to establish the amount of training allowances in both of these newly added areas, as he now has with respect to Guam and

the Virgin Islands, because of the inapplicability of the training allowance formula, attached as it is in the several States to unemployment compensation levels.

Section-by-Section Analysis

The committee reported H.R. 15045 with an amendment in the nature of a substitute, striking the entire text of the bill and inserting a new text. This section-by-section analysis describes the provisions of that committee amendment. References herein to "the act" are to the Manpower Development and Training Act of 1962, as amended.

Section 1. Extension of authority

This section extends the life of the various expiring authorities under the act, as follows:

(1) Labor mobility demonstration projects authority (sec. 104) is extended from June 30, 1968, to June 30, 1970.

(2) Trainee placement assistance demonstration projects authority (sec. 105) is extended from June 30, 1968, to June 30, 1970.

(3) Authority for training in correctional institutions (sec. 251) is extended from June 30, 1969, to June 30, 1970.

(4) Appropriation authority for training programs in correctional institutions is extended from June 30, 1969, to June 30, 1970.

(5) Operating authority conferred under title II is extended from June 30, 1969, to June 30, 1972, and disbursement authority from December 30, 1969, to December 30, 1972.

Section 2. Technical amendment

This section makes two technical amendments, as follows, to correct typographical errors inadvertently left in the 1966 amendments:

(*a*) In section 202(f) of the act, the reference to "(i)" is changed to "(j)".

(*b*) In section 231(a) of the act, the reference to "(i)" is changed to "(j)".

Section 3. Training and related technical assistance

Section 3 adds a new section 309, which provides for the reservation of 2 percent of the sums appropriated in any year for the entire act to be used by the Secretary of Labor to provide, directly or through grants or other arrangements, training and related technical assistance for specialized or other personnel needed in the administration of programs under the act. The new section further allows assignments of personnel to public or private agencies, institutions, and employers for this purpose, for not longer than 2 years.

Section 4. Skill centers and institutional training

Section 4(a) requires that in making arrangements for institutional training financed under title I or parts A to D of title II of the act, priority must be given to the use of skilll centers established under authority of section 231.

Section 4(b) requires that the Secretaries of Labor and HEW must allocate sufficient funds and numbers of institutional trainees to skill centers to insure a level of skill center operation in each State which is equal to that existing on June 30, 1967, or June 30, 1968, whichever is greater. This subsection also provides that overall allotments for institutional training may in no event be less than 65 percent of the funds appropriated under title II of the act.

Finally, subsection 4(b) provides that no new skill centers may be established in an area already served by a skill center, nor may an existing center be discontinued or curtailed, during the life of MDTA unless it has been found in advance by the Secretaries of Labor and HEW that (1) an existing center is no longer able to provide or arrange for needed training; (2) training of a similar nature previously provided has been ineffective; or (3) there is no longer a need for training, such finding being supported by pertinent data.

Section 5. Amendments relating to American Samoa and trust territories

Subsection (a) allows the Secretary, by regulation, to determine the amount of training allowances for American Samoa and the trust territories, as is now the case with regard to Guam and the Virgin Islands.

Subsection (b) provides that under part B of title II of the act, relating to institutional training, the Secretary of HEW may reimburse the State education agency for the Trust Territory of the Pacific Islands up to 100 percent of costs rather than the 90 percent ordinarily reimbursable to State agencies.

Subsection (c) defines "State" to include American Samoa and the Trust Territory of the Pacific Islands.

Changes in Existing Law Made by the Bill, As Reported

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

* * * * * * *

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT, AND UTILIZATION

* * * * * * *

Labor Mobility Demonstration Projects

Sec. 104. (a) During the period ending June 30, [1968] *1970*, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

* * * * * * *

Trainee Placement Assistance Demonstration Projects

Sec. 105. During the period ending June 30, [1968] *1970*, the Secretary of Labor shall develop and carry out experimental and

demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for a fiscal year to carry out this Act, not more than $300,000 may be used for purposes of this section.

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TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

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Selection of Trainees

SEC. 202. (a) * * *

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(f) Before selecting a person for training, other than for training under subsection [(i)] (*j*), the Secretary shall determine that there is a reasonable expectation of employment in the occupation for which the person is to be trained. If such employment is not available in the area in which the person resides, the Secretary shall obtain reasonable assurance of such person's willingness to accept employment outside his area of residence.

* * * * * * *

Training Allowances

SEC. 203. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents for the United States, to make payment of weekly training allowances to unemployed persons selected for training pursuant to the provisions of section 202 and undergoing such training in a program operated pursuant to the provisions of the Act. Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his

training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess. With respect to Guam [and the Virgin Islands], *the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands* the Secretary shall by regulation determine the amount of the training allowance to be paid any eligible person training under this Act.

With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.

For persons undergoing on-the-job training, the amount of any payment which would otherwise be made by the Secretary of Labor under this section shall be reduced by an amount which bears the same ratio to that payment as the number of compensated hours per week under the training program bears to forty hours.

The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.

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PART B—DUTIES OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

General Responsibilities

SEC. 231. (*a*) The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title enter into agreements with States under which the appropriate State education agencies will undertake to provide training needed to equip persons referred to the Secretary of Health, Education, and Welfare by the Secretary of Labor pursuant to section 202, for the occupations specified in the referrals, except that with respect to education to be provided pursuant to referrals under subsection (b) or [(i)] (*j*) of section 202, the Secretary of Health, Education, and Welfare may make arrangements for the provision of the education to be provided under such subsection through other appropriate education agencies. Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the

State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions or programs carried out in conjunction with programs or projects under section 102(6) are required to give full effect to the purposes of the Act, *and except that the State agency for the Trust Territory of the Pacific Islands may be paid up to 100 per centum of such costs*: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services. Such agreements shall contain such other provisions as will promote effective administration (including provision (1) for reports on the attendance and performance of trainees, (2) for immediate certification to the Secretary of Labor by the responsible training agency with respect to each person referred for training who does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, and (3) for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title. The Secretary of Health, Education, and Welfare shall give preference to training and education provided through State vocational education agencies and other State education agencies. However, in any case in which he determines that it would permit persons to begin their training or education within a shorter period of time, or permit the needed training or education to be provided more economically, or more effectively, he may provide the needed training or education by agreement or contract made directly with public or private training or educational facilities or through such other arrangements as he deems necessary to give full effect to this Act.

(*b*) *In making arrangements for institutional training financed in whole or in part with funds appropriated to carry out title I, and title II, parts A, B, C, and D of this Act, including but not limited to basic education, employability and communications skills, prevocational training, vocational and technical programs, and supplementary or related instruction for on-the-job training whether conducted at the job site or elsewhere, priority shall be given to the use of skill centers established under the authority of this section.*

* * * * * * *

PART D—CORRECTIONAL INSTITUTIONS

SEC. 251. Without regard to any other provision of this title or section 301 of this Act, the Secretary of Labor shall, during the period ending June 30, [1969] *1970*, develop and carry out experimental and demonstration programs of training and education for persons in correctional institutions who are in need thereof to obtain employment upon release. Arrangements for such education and training shall be made by the Secretary of Health, Education, and Welfare after consultation with the appropriate area manpower development and training advisory committee. Programs under this part shall be conducted through agreements with officials of Federal, State, and local correctional institutions. To the fullest extent practicable, the

Secretary of Labor shall utilize the available services of other Federal departments and agencies. Programs under this part may include vocational education; special job development and placement activities; prevocational, basic, and secondary education, and counseling, where appropriate; supportive and followup services and such other assistance as is deemed necessary.

* * * * * * *

TITLE III—MISCELLANEOUS

Apportionment of Benefits

SEC. 301. (*a*) For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under parts A and B of title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall apportion 80 per centum of the funds available for such purposes in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the lack of appropriate full-time employment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State, and (5) the average weekly unemployment compensation benefits paid by the State. The remaining 20 per centum may be expended by the Secretary of Labor and the Secretary of Health, Education, and Welfare as they find necessary or appropriate to carry out the purposes of title II. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this Act: *Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.

(*b*) *In order to make maximum utilization of previous investments of Federal funds made under this Act and to avoid unnecessary waste and duplication, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall under the authority of this section and through the Cooperative Area Manpower Planning System (CAMPS), allocate sufficient funds and numbers of institutional trainees to insure a level of skill center operation in each State equal to that which existed on June 30, 1967, or June 30, 1968, whichever is the greater. In no event shall the overall allotments for institutional training be less than 65 per centum of the funds appropriated by the Congress to carry out title II of this Act. No new skill centers shall be established in an area already*

served by a skill center as defined by the Secretaries of Labor and Health, Education, and Welfare, nor shall an existing center be discontinued or curtailed as long as this Act is in force unless it has previously been established by the Secretary of Labor and the Secretary of Health, Education, and Welfare that (1) an existing center is no longer able to either provide or arrange for needed training, (2) training of a similar nature previously provided has been ineffective, or (3) there is no longer a need for training based on labor market analysis or other pertinent data.

* * * * * * *

Appropriations Authorized

SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

(d) For the purpose of carrying out part D of title II, there are hereby authorized to be appropriated for the fiscal year ending June 30, [1968] *1969*, and for the fiscal year ending June 30, [1969] *1970*, such amounts as may be necessary.

(e) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

* * * * * * *

Definition

SEC. 308. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, and [Guam] *Guam, American Samoa, and the Trust Territory of the Pacific Islands.*

Training and Related Technical Assistance

SEC. 309. The Secretary of Labor shall provide, directly or through grants or other arrangements, training and related technical assistance for specialized or other personnel which are needed in connection with the programs established under this Act or which otherwise pertain to the purposes of this Act. Upon request the Secretary may make special assignments of personnel to public or private agencies, institutions, or employers to carry out the purposes of this section; but no such special assignments shall be for a period of more than two years. Two per centum of the sums appropriated in any fiscal year for this Act shall be reserved to carry out the purposes of this section during such fiscal year.

Termination of Authority

SEC. 310. (a) All authority conferred under title II of this Act shall terminate at the close of June 30, [1969] *1972*.

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment or other obligation entered into prior to the date of such termination: *Provided*, That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, [1969] *1972*.

ADDITIONAL VIEWS OF MR. HOLLAND, MR. GIBBONS, MR. HATHAWAY, AND MR. MEEDS

We support H.R. 15045. We support it, indeed, with enthusiasm and with deep feeling that the Manpower Development and Training Act has, in the 6 years of its operation, more than fulfilled the hopes of its original authors, among whom some of us are numbered. This program, which has achieved an ever-growing amount of bipartisan support among the Members of the Congress, and stanch backing in all segments of the economy, has served the Nation well and faithfully. Nearly half a million Americans have successfully completed institutional and on-the-job training courses under MDTA, and this does not take into account the thousands of others who have "failed to complete" such courses, not because they couldn't handle the training but because even incomplete training courses enabled them to find better jobs.

Since its original enactment in 1962, the Congress has seen fit on several occasions to amend the basic act. In every case, these amendments have been designed to make the program more flexible, to enable the Secretaries of Labor and HEW to more rapidly and meaningfully meet their responsibilities, to allow for more expeditious action to meet current manpower problems as well as to plan for long-range trends. This movement toward more flexibility, this trend away from rigidity in fund allocation and away from limiting the choice of tools available to those given these grave responsibilities, has not been accidental. We have deliberately, and as a matter of considered policy, sought to do just that. In making MDTA more flexible, the Congress has sought to achieve precisely what it sought to achieve in the 1967 amendments to title I of the Economic Opportunity Act, which is also characterized in its approach to manpower problems by the concept that what is needed is the development of a substantial arsenal of weapons, to be utilized as needed, in an integrated program, by those who have the operating responsibility to see that our national manpower resources are most advantageously developed.

Most of the provisions of this bill carry out that long-standing congressional policy. Section 4(b), which we believe to have been introduced and adopted with the best of intentions, turns that policy around, in our judgment, exactly 180 degrees. Section 4(b) of this bill will have the effect, we fear, of reducing the options available to manpower administrators in precisely the wrong way. We cannot disagree with the purpose of this amendment. We do disagree with its timing, its scope and its method of achieving the purpose.

Section 4(b)'s purpose, clearly, is to maximize the use of skill centers as a mode of offering institutional training. With this objective we wholly agree. We concur in everything the committee report says about skill centers, and would, if necessary, add further praise of their achievements and their promise. On this point, there is no substantial disagreement. But in seeking to implement this policy the amendment

freezes the number of skill centers—and we have no real knowledge at this point of what number of skill centers we are fixing, or which skill centers will be preserved, and which found not to be eligible, how many trainees we are affecting, or how much it will cost. The term "skill center" is variously defined. Merely calling a hastily thrown together congeries of courses a "skill center" doesn't necessarily make it one, even in the minds of the sponsors of this amendment, and certainly not in the eyes of those charged with the administration of this legislation.

The real damage done by this amendment, is in the sentence which appears casually in the midst of the subsection 4(b) and which is not tied, logically, to the skill center concept, arbitrarily fixing the institutional allocation at 65 percent of all funds appropriated under title II of the act. The precise level of the figure is one flaw, but its greatest flaw is that it is a rigid floor and may well become an equally rigid ceiling.

In order to fund an unknown number of skill centers, this bill allocates a very large sum of money, taking much of that money away from other institutional programs and eventually taking it away, too, from availability for the JOBS program, through which the resources and talents of the private sector are being harnessed to the manpower training and development problem.

One further, perhaps symbolic, perhaps real, flaw is to be found in the language of the amendment. In directing the two Secretaries to "allocate sufficient funds and numbers of institutional trainees to insure a level of skill center operation in each State equal to that which existed on June 30, 1967 or June 30, 1968, which ever is greater," the amendment turns MDTA into a program for the maintenance of institutions rather than a program for the training of people and the development of manpower resources. In enacting this language, we are explicitly committing ourselves to the maintenance of skill centers, *without adequate regard to the needs which may exist in a given community at a given time.* The trainees must be shuffled about to accommodate the needs of the centers, rather than the other way around. Further, we are directing the preservation of existing skill centers and impeding the creation of new ones, again without adequate regard for the needs of the unemployed or underemployed for whose benefit this act is supposed to operate. Section 4(b) of the bill before us turns MDTA into a program of guaranteed employment for the faculty and administrators of skill centers, at the cost of the very people the entire program is supposed to benefit.

We do not oppose 4(b) because it refers to skill centers. We would oppose it if it did the same thing for any one of the devices that have been created or utilized under MDTA. We would oppose it if it applied to standard vocational schools, to on-the-job training, to coupled projects, or to whatever. Its flaw is that it takes a very good part of the program and seeks to enshrine its operation at the cost of all the other good parts of the program. It is an unwieldly provision which may result, not in the misuse of appropriated funds, but—even worse—in their nonuse.

We hope that the House can be prevailed upon to amend or drop this section to H.R. 15045. If the House does so, we think it should be made clear at the time that we do so without in any way departing from the intention stated in the committee report and in subsection

(a) that skill centers should be used in the maximum amount feasible consistent with the broad objectives of MDTA. Skill centers, their remarkable physical plants and their excellent staffs ought to be used to the fullest possible extent—remembering first, however, that the purpose of this act is to meet the needs of those who require training in order to find meaningful permanent employment in the real world.

MINORITY VIEWS ON H.R. 15045

We are not opposed to the bill reported by the Committee. In fact, we strongy support all of its provisions, most of which would extend the life of significant portions of the Manpower Development and Training Act of 1962 (MDTA), several of which are shortly about to expire. Our criticism is directed not at what the bill contains but at what it fails to include.

Not only do all of us support the continued existence of the MDTA, but some of us take a great deal of pride not merely in having cooperated at its birth in 1962, but in having made significant contributions both to its original enactment and its subsequent development and improvement as well.

What we fear, and it is this at which our critique is aimed, is the serious impairment, even the possible eliminiation, of many of the training programs, both on the job and institutional, which have been established and successfully operated under MDTA. For that reason we believe that the Committee bill ought to be amended to include provisions designed to prevent this impairment and possible elimination of training programs which have proved their value.

The damage to these programs has already begun and becomes progressively more serious. This development is the result of the adoption by the administration of new manpower approaches establishing programs which are relentlessly eliminating an increasing number of the successful types of manpower projects, particularly in the OJT field, which had theretofore been set up under MDTA and many of which still exist although now threatened with extinction. These new approaches are best described in the Administration's announcement of March 19, 1968, setting forth its manpower goals and funding estimates for the fiscal year 1969.[1]

The overall estimate is for total program funds under title II of MDTA of almost $354 million. Of this total, over $22 million will be reserved for training individuals in redevelopment areas under part C of title II and will not be apportioned among the States.

Pursuant to section 301 of the act, 80 percent of the remaining $331 million, amounting to $265 million, will be apportioned among the States, and 20 percent, amounting to $66 million, will be retained in an unapportioned account to be administered by the Secretaries of Labor and HEW. The $265 million to be apportioned among the States will be allocated as follows: $160 million to institutional training, $84 million to on-the-job training (OJT), and $21 million to part-time and other-than-skill training.

However, during the fiscal year 1968 the administration initiated two new manpower programs, the Concentrated Employment Pro-

[1] See Interagency Cooperative Issuance No. 69–2, on the subject "Camps National Planning Guidance—Manpower and Related Program Goals for Fiscal Year 1969," issued jointly on Mar. 19, 1968, by the Departments of HEW, Commerce, Interior, HUD, Agriculture, Labor, and the OEO and Civil Service Commission.

gram (CEP) and the Job Opportunities in the Business Sector (JOBS) program, both of which were to be and are being funded out of appropriations for title II of MDTA and the Economic Opportunity Act, and under the authority of these two statutes, without resorting to new legislation. These two programs are directed toward helping effectively what may accurately be called the innermost hard core of the "hard-core unemployed."

The March 19, 1968, announcement estimates that of the total needed to finance these two new programs, $99 million will come from MDTA title II appropriations, the larger part of which, approximately two-thirds, will be taken from funds to be apportioned among the States. Thus of the $84 million to be apportioned to the States for OJT purposes, $45.1 million will go into JOBS programs and $16.2 million into CEP activities, leaving only $22.7 million for the States to use for their ongoing and traditional OJT projects, a reduction of 73 percent.[2]

It is painfully obvious that these ongoing and traditional types of OJT projects will be reduced to a mere shadow of their former status and that whatever autonomy that several States have hitherto enjoyed in promoting, developing, funding, monitoring, and otherwise servicing training programs under title II of MDTA will virtually disappear or be seriously diminished.

However, we wish, with all the emphasis at our command, to make it perfectly plain that we do not oppose either the goals, the purposes, or the structure of both the CEP and JOBS programs. To the contrary, we wholeheartedly approve them. We think they are so important, and may prove to be so valuable in finding the beginning of a solution for the problem of the innermost hard core of the "hard-core unemployed," that they deserve a separate and specific legislative authority of their own.

At the very least, they should have separate, specific, and adequate funding of their own rather than being implemented by cannibalizing much of the finances essential to the continued survival of other manpower programs which are, at present, and have been, since the inception of MDTA, effectively performing a somewhat different but equally desirable, even indispensable function. It is our view that none of the ongoing MDTA projects, established outside the CEP and JOBS programs, ought to be terminated unless it can be shown that such project is not complying with any applicable requirement of the Manpower Act, or is not being carried out effectively in a manner reasonably designed to effectuate the policies of that act, or that the need for such a project no longer exists, nor should such a project be curtailed except to an extent equivalent to the decrease in the magnitude of the need it was designed to meet.

We therefore shall offer on the floor, amendments, rejected in the committee, which are designed to assure the continued existence, at their previous levels, of these ongoing and traditional manpower programs. Simultaneously we pledge our support for any appropriate effort to secure for the CEP and JOBS programs the separate and additional funds needed to permit these two new programs to achieve the goals set for them by the administration. We firmly believe that the

[2] It should also be pointed out that of the $21 million to be apportioned among the States for part-time and other-than-skill training, $3 million will be channeled into CEP activities. Thus a total of $64.3 million of title II State apportioned funds will go into JOBS and CEP. The remainder of the $99 million in MDTA funds to be used for JOBS and CEP will come out of the unapportioned 20 percent of title II funds.

approach we have taken, will have the additional beneficial result of restoring to the States that autonomy under title II of the MDTA which Congress intended them to have, and of which they are being deprived by the manner in which the CEP and JOBS programs are being, and will continue to be, administered unless our amendments are adopted.

We are convinced that the cannibalizing approach and funding of CEP and JOBS as administered by the Secretary of Labor are contrary to the intent of Congress and go beyond the authority given him under title II of the MDTA. In this connection, and in support of this contention, it is extremely relevant to quote from the report of the Committee on Appropriations, recently committed to the Committee of the Whole House on the State of the Union:

> TITLE I—DEPARTMENT OF LABOR
>
> MANPOWER ADMINISTRATION
>
> MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES.—The bill includes $400 million, a reduction of $13,096,000 from the request, and an increase of $14,503,000 over the amount appropriated for 1968.
>
> The committee desires that the Department review its current policy of increasing the emphasis on the on-the-job training over institutional training. Evaluations made of the manpower development and training program have concluded that institutional training is a more effective way of reaching the disadvantaged. *The committee questions the arbitrary division of funds made by the Secretary of Labor in allotting money to the States. A review of the legislative history of the Manpower Development and Training Act leaves considerable doubt that the Secretary has the authority to carve the State apportionment up between institutional and on-the-job training. The committee feels that it would be more desirable, and more in keeping with the legislative history, if the States were given more of a voice in determining the division of available funds between the two.* (Emphasis added.)[3]

Although we express no opinion on the comparative merits of OJT versus institutional training, we are in complete agreement with the Committee on Appropriations that the Secretary of Labor is depriving the States of the autonomy given them in title II, and that in doing so he is acting beyond the scope of the authority given him by that same title.

From its inception, the Manpower Development and Training Act has contained provisions which make clear the congressional intent that the States were expected to be active partners in the Federal Manpower Program. Section 301 of the act contains an allocation formula which provides a method of distributing financial resources available under MDTA to the States. Section 206 of the act encourages and authorizes the Secretary of Labor to enter into agreements with the States and to utilize the services of appropriate State agencies in carrying out his responsibilities.

[3] Report No. 1575 to accompany H.R. 18037, Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Bill, 1969, p. 5, 90th Cong., 2d sess., June 20, 1968.

In accordance with these sections, the States have entered into agreements with the Secretary of Labor to participate in the MDTA institutional training programs and some States in addition have put into effect arrangements involving the OJT institutional training programs. The MDTA institutional training programs are administered by the State Employment Security Agencies with the State Departments of Education participating in the development and operation of institutional facilities.

During Federal fiscal year 1968, the Secretary had entered into OJT institutional program agreements with over 12 States and the combined activity of these States constituted more than half of the total Federal effort in this program area. It has been in this area that there have been serious program problems. The States have experienced delays in funding projects that have been accepted by employers and that have met the standards prescribed by the U.S. Department of Labor. The damage done by delay in funding is twofold; it has caused disenchantment of employers, and more importantly, it has meant a delay in reaching those individuals that the legislation sought to serve. As the fiscal year 1968 comes to a close, it is unlikely that all training projects developed within the funds that were apportioned and approved by Federal regional officials as meeting Federal standards and requirements will in fact be funded and that some of those which have been, will be able to survive. The uncertainties that prevailed in fiscal year 1968 are being projected into fiscal year 1969, as we have pointed out in describing the Administration's manpower blueprint of March 19, 1968.

Equally important, however, as the announced change in apportionment, the U.S. Department of Labor has proposed for the OJT area a vital change in the arrangements between the States and the U.S. Department of Labor. The agreements between the States and the U.S. Department for MDTA programs provided that the States would assume the responsibility of promoting, developing, funding, monitoring, and other services associated with implementing the training programs, and the U.S. Department of Labor made funds available to the States for personnel to handle these important functions. The Department of Labor now proposes that in the OJT area the more important functions of promoting, developing, and funding be assumed by Federal personnel and that State agencies retain only the lesser responsibilities of monitoring and servicing projects. A proportion of the experienced State personnel, whose training has been financed by Federal funds, would be released from employment and, presumably new Federal employees would be secured to assume the duties now handled by State employees.

In order to assure the participation of States agencies in the MDTA programs that Congress intended, we propose that sections 301 and 206 of the Manpower Act be amended. The action of Federal officials during the past 2 years makes it obvious that amendments to both sections are needed in order to insure the orderly operation of the Federal Manpower Program within States having agreements with the Secretary of Labor, in line with the legislative intent of these two sections.

We suggest that section 301 be amended to insure that appropriated funds allocated to the States remain fully available to the States as long as the States have a backlog of unfunded Federal manpower

programs that meet Federal criteria and standards. The amendment would narrow the Secretary's discretionary authority to some extent. At the same time, it would guarantee that appropriated, allocated manpower training funds made available to the States under Federal-States agreements were actually available when the States completed their part of the working agreement and were ready to utilize the funds. This proposed amendment to section 301 would have considerable force in giving the State agencies some assurance that the Federal Government would live up to its commitment.

Our proposed amendment to section 206 would require the Secretary to enter into agreements with States and State agencies requesting the right to become active working partners in the Federal Manpower Program. At present, under section 206, the making of agreements is completely discretionary with the Secretary, and he can, in fact, decide to ignore the request of a State to become a partner in the Federal Manpower Program. There is considerable concern that during fiscal year 1969, the Secretary will reduce the number of States with which the Department will negotiate such working partnership agreements.

The proposed amendment to section 206 would assure continued participation of the States in the Federal Manpower Program and would remove the possibility of changing operating methods between the Federal and State governments on short notice. Presumably, without such an amendment, changes planned for those States having an OJT agreement could be extended, without congressional approval, to existing agreements with the State Employment Security Agencies that would involve the training programs in all 50 States. Such a development would mean that all MDTA training programs would become Federal operations and the provision for allocating funds to the States as now provided in the legislation would mean very little. The Federal officials could distribute the funds within the States without State participation to suit the objectives of Federal Government officials.

We sincerely hope that the House will approve the amendments we have proposed and that it will give serious consideration to providing additional adequate but separate funding for the CEP and JOBS programs.

WILLIAM H. AYRES.
ALBERT H. QUIE.
ALPHONZO BELL.
JOHN N. ERLENBORN.
JOHN DELLENBACK.
MARVIN L. ESCH.
EDWIN D. ESHLEMAN.
WILLIAM A. STEIGER.

INDIVIDUAL VIEWS OF MR. SCHERLE

I am not opposed to the professed purposes and objectives of the Manpower Development and Training Act of 1962, as amended, nor to the provisions in the bill reported by the committee extending the life of several of the important provisions of the act.

Nevertheless, I voted against reporting the bill because I am convinced, on the basis of considerable evidence which has come to my attention, that these professed purposes and objectives are not being fulfilled. This failure is the direct consequence of the gross maladministration of the act by those executive departments and agencies of the Government which have the responsibility for carrying out the intent of Congress as expressed in the statute.

For many months I have been increasingly appalled by the shocking ineptitude, carelessness, waste, and inefficiency which characterize the operations of many of the programs established under the Manpower Development and Training Act, programs which are financed almost entirely from Federal funds. In other words, they are paid for with huge sums of money taken out of the pockets of the hard-working and long-suffering American taxpayer. Despite these enormous expenditures of public funds, the degeneration in the activities and administration of our national manpower and policy programs has sunk to a level of waste, inefficiency, and self-seeking opportunism which is matched only by the similar conditions which have long prevailed in the implementation of the so-called war on poverty by the Office of Economic Opportunity, its retainers and satellites.

Earlier this year, I received evidence of a situation which had arisen in a federally financed manpower project in my own State of Iowa which was so disgraceful that I was forced to conclude that only a thorough public airing offered any hope of eliminating these cancerous growths on the body politic, or, at any rate, halting their further proliferation. It seems to me that if the American people, particularly that overburdened segment that shoulders virtually all of the Federal tax load, were given the essential facts about the operation of our manpower programs, without sentimentality and in their stark and naked reality, they would, as with a single voice, demand their complete reformation, or, if that were not possible, their total abolition.

With that consideration in mind, I requested the chairman of our Committee on Education and Labor, in a letter sent to him early last March, to have the committee, through its professional staff, make an official investigation of the situation in my home State, because of the serious questions concerning the improper disposition of Federal funds which were involved in the Iowa situation.

Thus in the face of this silent and impenetrable barrier to an effective examination of the functioning of our national manpower policy, I am left with no choice but to point out to the American public by means of these views, the incredible mess which has been made of many of the programs and projects established pursuant to that policy. The

situation in Iowa to which I have referred is neither unique nor even exceptional—it is quite representative of a number of similar situations which exist in other parts of the Nation.

To be precise, I have unchallengeable information that $4,518 in MDTA funds were "funneled" into the Iowa Department of Public Safety for an on-the-job training program that existed only on paper." This was the finding of the Iowa State auditor who investigated the matter. The investigation found that the department of public safety employees who were to be trained not only were fully employed but were far from "unemployable." One, for example, was a veteran of 19 years in the agency and several were supervisors. All were surprised to learn that they were recorded as having undergone 8 weeks of on-the-job training.

But let me be more specific. The MDTA program is supposedly designed primarily to assist private enterprises and government agencies in financing the recruiting and training of the economically and socially disadvantaged unemployed, often referred to as the hard-core unemployed. Here are some of the individual responses of Public Safety employees when they were told that they had been reported as having completed 8 weeks of "on-the-job" training:

Everett Nelson, a Department investigator, said, "It's news to me."

"I don't even know what you're talking about," was the comment of Yvonne Victoria, a records section supervisor.

"There must be some mix-up," said Chief Radio Dispatcher Ralph Johnson.

"To the best of my knowledge, there was no such thing. Nobody's been looking over my shoulder. I usually sit with my back to the wall." This was the observation of Leonard Murray, a supervisor in the Department's Bureau of Criminal Investigation.

Interesting is the case of Harold Schurtz, who joined the Department after a 27-year employment career with the Mason City (Iowa) Fire Department, a career from which he retired as Chief of Fire Prevention. One of the OJT contracts lists Mr. Schurtz among 10 persons who are described as "hard-to-place unemployed." Said Mr. Schurtz: "It's an insult. Ridiculous—I can't remember being unemployed since I was a kid in school."

Here we have a number of individuals, all employed, who are totally unaware that they are receiving or supposed to be receiving on-the-job training. I have been advised that failure to inform an employee that he is being trained constitutes a violation of a Federal Government regulation which reads as follows:

> The subcontractor shall furnish each trainee upon commencement of training with a copy of his training outline and time-schedule for his training occupation.

Twenty-three Iowa Public Safety Department employees are named in several claims for reimbursement as having undergone on-the-job training under MDTA on a 40-hour-per-week basis from December 5, 1967, to January 27, 1968. The Manpower Council thereupon paid the Public Safety Department a total of $4,518 allegedly to offset the Department's cost in training these employees. The claims were signed by Roger K. Scholes, former Public Safety Department personnel officer. Payment authorizations were signed by John M. Ropes, director of the Iowa Manpower Development Council.

Mr. Ropes and Russell V. Kelso, Iowa State Director of the Federal Bureau of Apprenticeship and Training, in the U.S. Department of Labor, signed the OJT contract pursuant to the provisions of the Manpower Development and Training Act. Mrs. Patricia Powers, a subordinate of Mr. Ropes, arranged the contracts with Mr. Scholes. Mrs. Powers is paid an annual salary of $9,900 as an OJT director with the Manpower Council.

In talking with Public Safety Department employees and officials, it was learned that some Department workers did attend a 2-day "Management Dynamics Seminar" at the University of Iowa at Iowa City, but expenses for such attendance, totaling $1,099, were paid for out of OJT funds quite apart from the $4,518 paid to the Public Safety Department as reimbursement for on-the-job training of Department employees. A few said they also attended weekly or monthly lectures given by a university faculty member in Des Moines. It is not known if such attendance constituted part of the OJT program for Public Safety Department employees, nor what the cost involved, if any, might have been.

Finally, and as a sort of appropriate climax consistent with the operation of this nonexistent training program, was the use of $153.12 of the training funds to pay the expenses for a going-away party for former Public Safety Director Gene Needles, whose term expired at the end of last April after the Iowa Senate had voted against his reappointment.

This is the unbelievable picture, bordering on the hilarious were it not so tragic for the taxpayer, revealed by just a single MDTA project in my home State. I might add that our State auditor has also found that about $300,000 of MDTA funds have been granted to 261 private firms and to 28 State and local agencies for manpower training programs. We are still awaiting a report on their nature and the results they have achieved.

I have dwelt at considerable length on the foregoing situation both because, occurring as it did in Iowa, it strikes close to home, and it is a startling illustration of conditions which are widespread in the implementation and administration of many of our manpower programs. I do not wish to burden this report with descriptions of similar conditions which prevail in MDTA projects in other States and cities. But the unbridgable gap between promise and achievement exists everywhere including the newest wrinkles promulgated by the administration in the manpower field.

Last year, with the greatest fanfare, the administration launched a "crash" program to train 100,000 "hard-core" jobless unemployables by July 1, 1968—which is less than a few days away. To be operated by the U.S. Department of Labor under the authority of the existing manpower and antipoverty laws, the program was centered in 22 high density unemployment areas, chiefly ghettos and slums, with $102 million of MDTA and antipoverty funds to be spent to achieve the stated objective. This new program is known as the Concentrated Employment Program (CEP).

Thus far, there have been few official statistics on what has actually been accomplished. In a May 1968 press release, the Manpower Administrator, Assistant Secretary of Labor Stanley Ruttenberg, claimed that 59,400 hard-core unemployed had been enrolled under CEP, and

that 22,500 of them had been placed in jobs. Of the enrollees, 83 percent were Negro, 8 percent Mexican-American, and 3 percent Puerto Rican. But even on the basis of these unsubstantiated figures, the CEP operation is far from having succeeded in achieving its declared goal of training 100,000 hard-core unemployed by July 1, 1968, despite the implied claim of success on the part of Mr. Ruttenberg. To the contrary, there have been reliable local reports that CEP is floundering, that relatively few have been trained, and even fewer placed in jobs.

Among these reports are the following:

Birmingham, Ala.: Contracted for $3 million to place 1,400 individuals in jobs. As of December 7, 1967, almost halfway to the target date of July 1, 1968, six persons have been placed in jobs and only a few hundred were in training.

Phoenix, Ariz.: This is a $3.5 million program to provide training for 2,500 individuals. In January 1968, with less than 6 months to go to the target date, "265 had been helped, of which 38 are in jobs with private industry." There are indications, however, that although there hasn't been very much done toward helping the "hard-core unemployed," 143 new employees have been taken on to operate the program with salaries totaling over $830,000, all coming out of the $3.5 million grant.

Pittsburgh, Pa.: Under a $4 million contract, 1,925 persons were to be trained and placed in jobs. As of November 2, 1967, almost 3 months after the program got underway, only 74 individuals had been directly placed in jobs.

New Orleans, La.: The CEP program, with a $4.5 million budget and a goal of 5,000 placements, began on July 21, 1967. As of January 6, 1968, almost 6 months later, $714,076 had been spent with 817 persons placed in jobs at a cost of $874 each, and 316 "meaningful placements" registered at a cost per individual of $2,260. In an interview, a leading CEP official conceded that "the effort has not worked very well yet * * * and the 5,000 goal may be too big a bite for 1 year."

St. Louis, Mo.: The CEP contract was for $5 million to place 4,000 in jobs in the period of 1 year. As of January 10, 1968, only 600 had been placed. Among the reasons given for this sad performance by persons who were in a position to know but who preferred to remain unidentified were "too many fingers in the pie both nationally and locally * * * and bureaucratic jealousies between the Labor Department and OEO."

Los Angeles, Calif.: A contract for $8.6 million was signed by the Labor Department last year for a CEP program to place 2,000 in jobs in a year's time. By December 26, 1967, less than 50 had been so employed. County Supervisor Kenneth Hahn stated that among other drawbacks, $2 million of the $8.6 million went for administrative overhead, much of it going for 80 additional personnel.

It is these conditions in the administration and operation of our manpower programs which, as I have said, induced me to vote against favorably reporting the Committee bill. I believe that an effective manpower program is attainable, but only if the conditions I have described are rigorously corrected, and sound administration stringently adhered to. In the face of the failure or refusal to act by the executive branch, only the Congress can insist that the necessary cleanup operation be performed. I feel that the consideration of the Committee bill

provides an excellent opportunity for Congress to take the necessary measures to rescue the manpower program from a failure just as resounding and as scandalous as that which has been the fate of much of the antipoverty program as it was administered by the Office of Economic Opportunity.

WILLIAM J. SCHERLE.

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